

Department of Defense



Briefing for DFAS/Navy ERP

DRID #47

End-to-End Procurement Process

Strategic Implementation Plan

March 21, 2000



End-to-End Procurement Process

Why we're here . . .

- **Provide DRID #47 background**
- **Discuss “To-Be” End-to-End Procurement Process Model content**
- **Outline Implementation Phase approach**

***Model
Developed!
Implementation
Plan Complete!***

***Next phase . . .
Implementation!***

***First, some
background . . .***



End-to-End Procurement Process

Genesis of DRID #47 . . .

Eliminate Unmatched Disbursements and Negative Unliquidated Obligations and **"Single Point of Data Entry"**

Move ahead with systems and technologies already on-hand **MRM #2, Moving to a Paper-free Contracting Process by January 1, 2000**

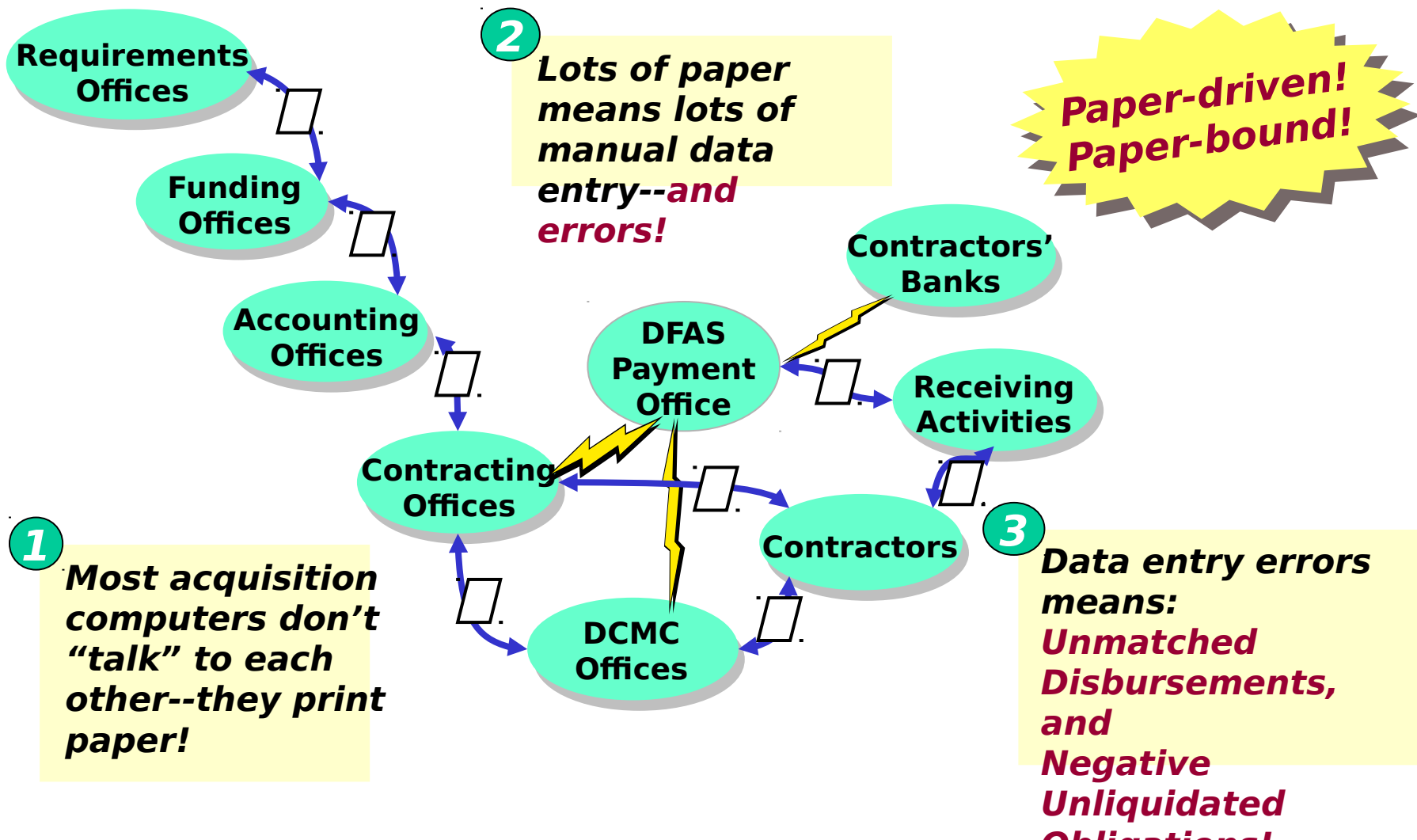
Reengineer Contract Closeout and DD 250 Material Inspection and Receiving Report policies and procedures **DRIDs #32 and #33**

DCMC and DFAS co-chair an "end-to-end" procurement process review for the future shared data environment **DRID #47, End-to-End Procurement Process, December 9, 1998**

Build a roadmap for a DOD-wide electronic procurement environment; provide seamless data exchange end-to-end among the process partners!



End-to-End Procurement Process *Acquisition as it has been . . .*



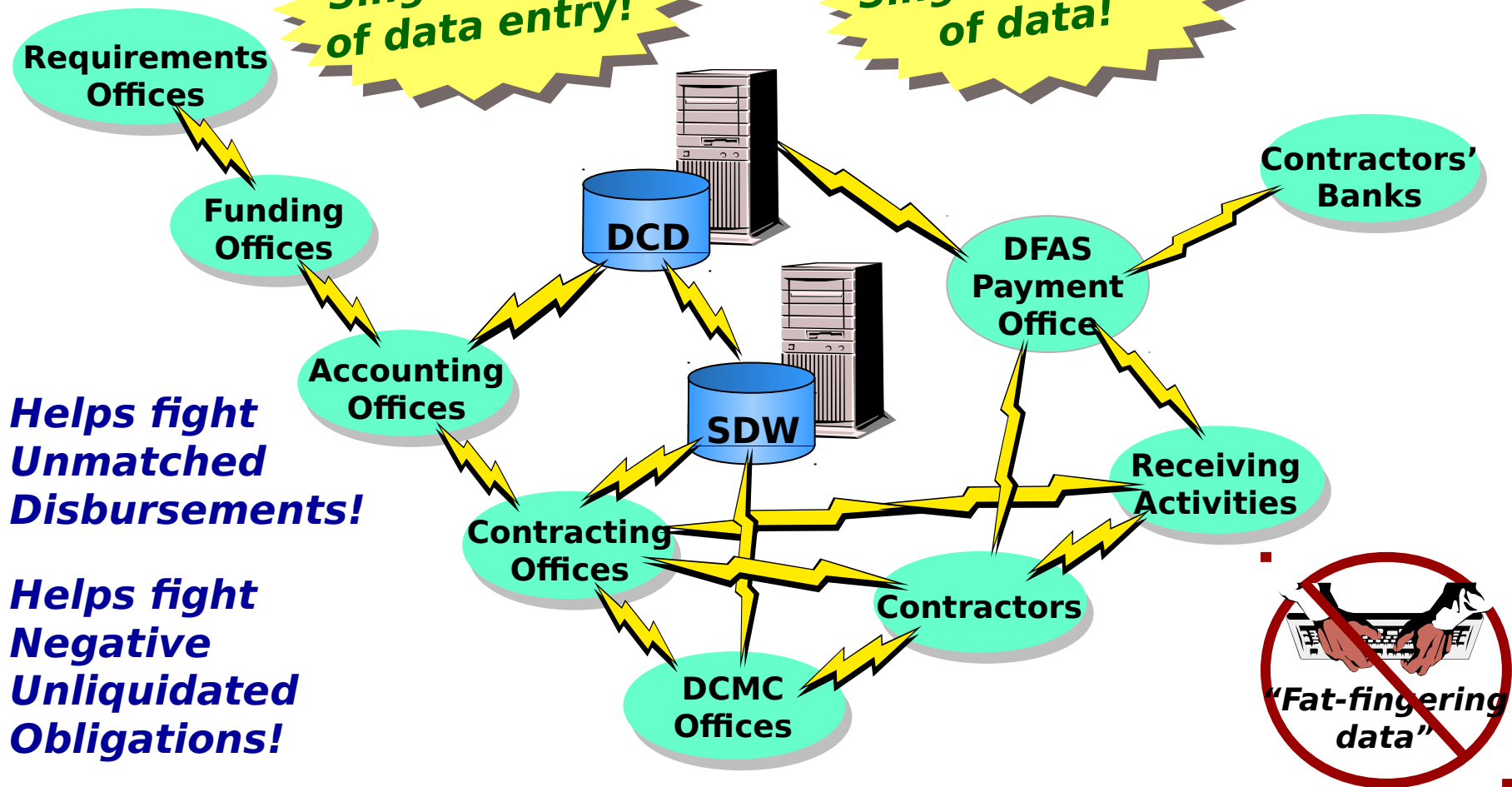


End-to-End Procurement Process

The Paperless Acquisition Vision

**Single points
of data entry!**

**Single sources
of data!**



**Helps fight
Unmatched
Disbursements!**

**Helps fight
Negative
Unliquidated
Obligations!**





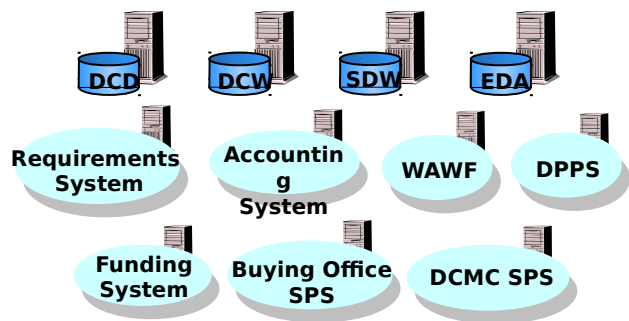
Major integration challenges . . .



... to reengineer and improve business processes and subprocesses to overcome those challenges!



DRID 47: End-to-End Procurement Process



These systems will need to “talk” with each other we
“End-to-End” makes sure they will!

Partners

DCMC and DFAS co-chairs . . .
 Services/Agencies . . .

- ◆ Program Mgmt.
- ◆ Contracting
- ◆ Payment

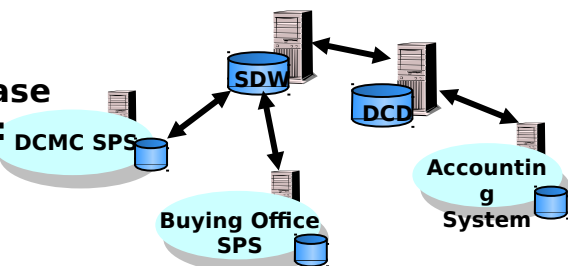
- ◆ Financial Mgmt.
- ◆ Accounting
- ◆ Logistics

“End-to-End” simplifies systems and processes!

Old “To-Be”:

Lots of data base
 replication for:

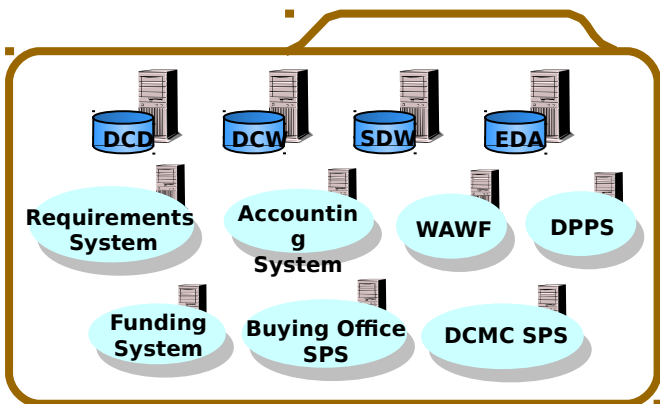
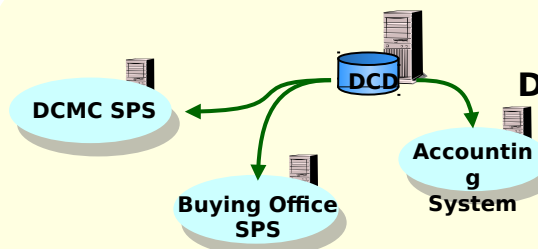
- Accounting
- Payments
- Deliveries



New “To-Be”:

Data “lives” in DCD.

- Other systems
- “pull” as needed.
- “Pre-Val” problem solved, too.



**Must have
 Portfolio
 Management!**

Products:

- “To Be” Process Map
- “To Be” Process Description
- “To Be” Input/Output Description
- Information Transfer Mechanisms
- “To Be” System Maps
- “Cross Walk” with SPS, DPPS,
- Final Report

Done!
Done!
Done!
Done!
Done!
Done!
Done!



End-to-End Procurement Process

Key Participants

Over 150 DoD and Industry participants!

**DCMC and DFAS Co-Chairs
Services/Agencies (including JECPO)--**

**Program Management Financial Management
Contracting Accounting
Payment Logistics**

Program Management Offices--

**Standard Procurement System/Shared Data Warehouse
Defense Procurement Payment System
DFAS Corporate Database/DFAS Corporate Warehouse
Wide Area Workflow**

And, the contractors for the Systems--

**American Management Systems
Oracle
Electronic Data Services**

Plus, the SPS Requirements Board!

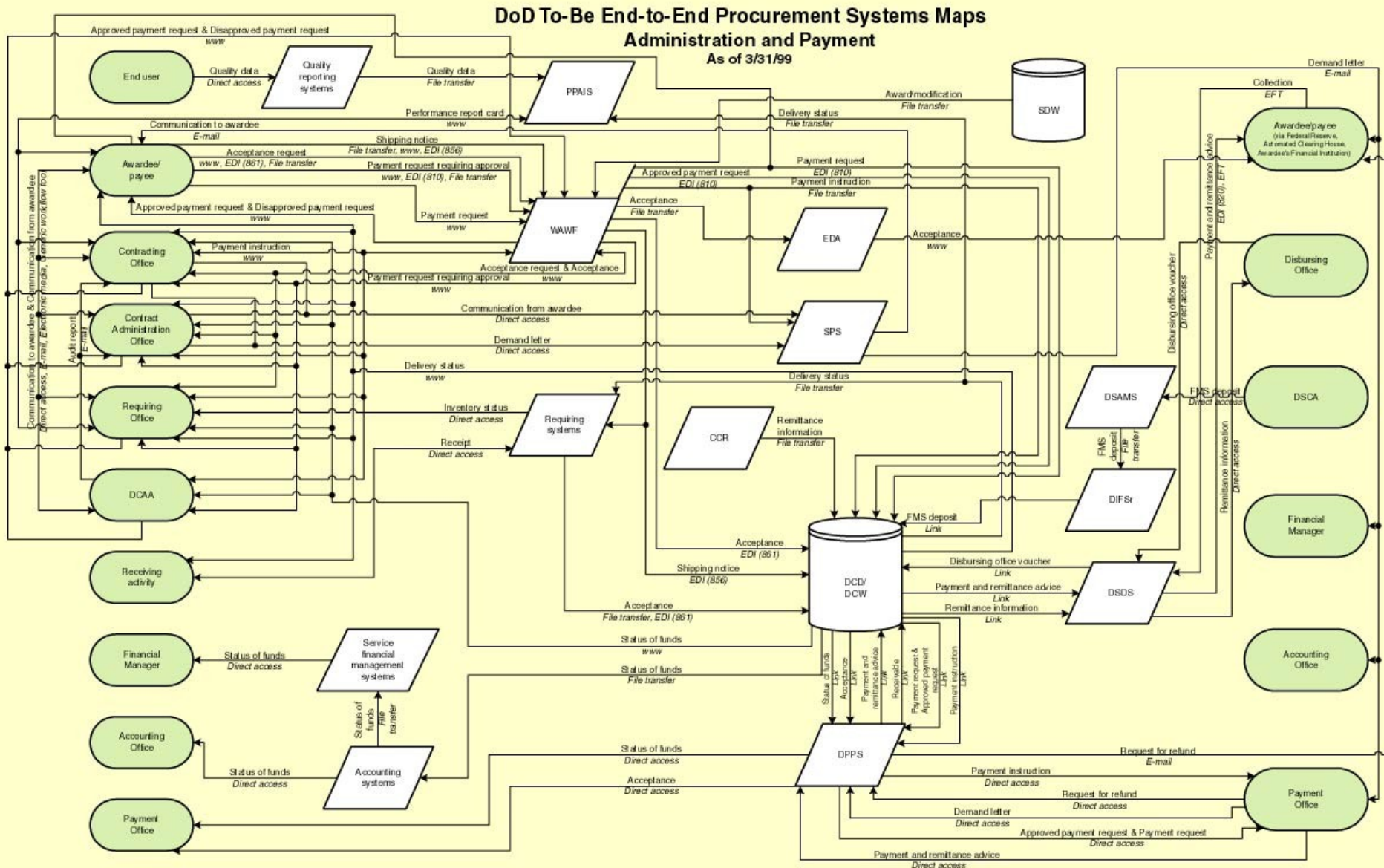




End-to-End Procurement Process

To-Be Systems Maps

- **The To-Be systems maps make up one large systems map broken down into 5 maps for readability:**
 - Map 1. Requirement to solicitation**
 - Map 2. Evaluation and award**
 - Map 3. Administration and payment**
 - Map 4. Contract performance communication**
 - Map 5. Financial reporting and contract closeout**
- **The Maps include:**
 - **23 Functional Roles, 28 Systems/Databases, 10 Transfer Mechanisms, 90 Inputs/Outputs, 100+ Separate Transactions**





End-to-End Procurement Process

End Products

COMPLETED!

- **Phase 1 - Procurement Process Model and System**
 - **"To-Be" Process Map and Description**
 - **Input/Output Descriptions**
 - **"To-Be" System Maps and Transfer Mechanisms**
 - **Issues and Recommendations**
 - **Business Rules**
 - **Implementation Considerations (next steps)**

***Model
Developed!
Implementation
Plan Complete!***

■ ***Phase 2 - Strategic Implementation***

- **Updated Model and Systems Maps**
- **Management Structure (Portfolio Management)**
 - ❖ ***Paperless Procurement Executive Control Board***
 - ❖ ***Paperless Procurement Implementation IPT (draft charter)***
- **Strategic Integrated Schedule**
- **Metrics (Outcome and Output)**
- ***Recommendations***

***Available on
Paperless Center
homepage!***



End-to-End Procurement Process

Moving to the “To-Be” Environment

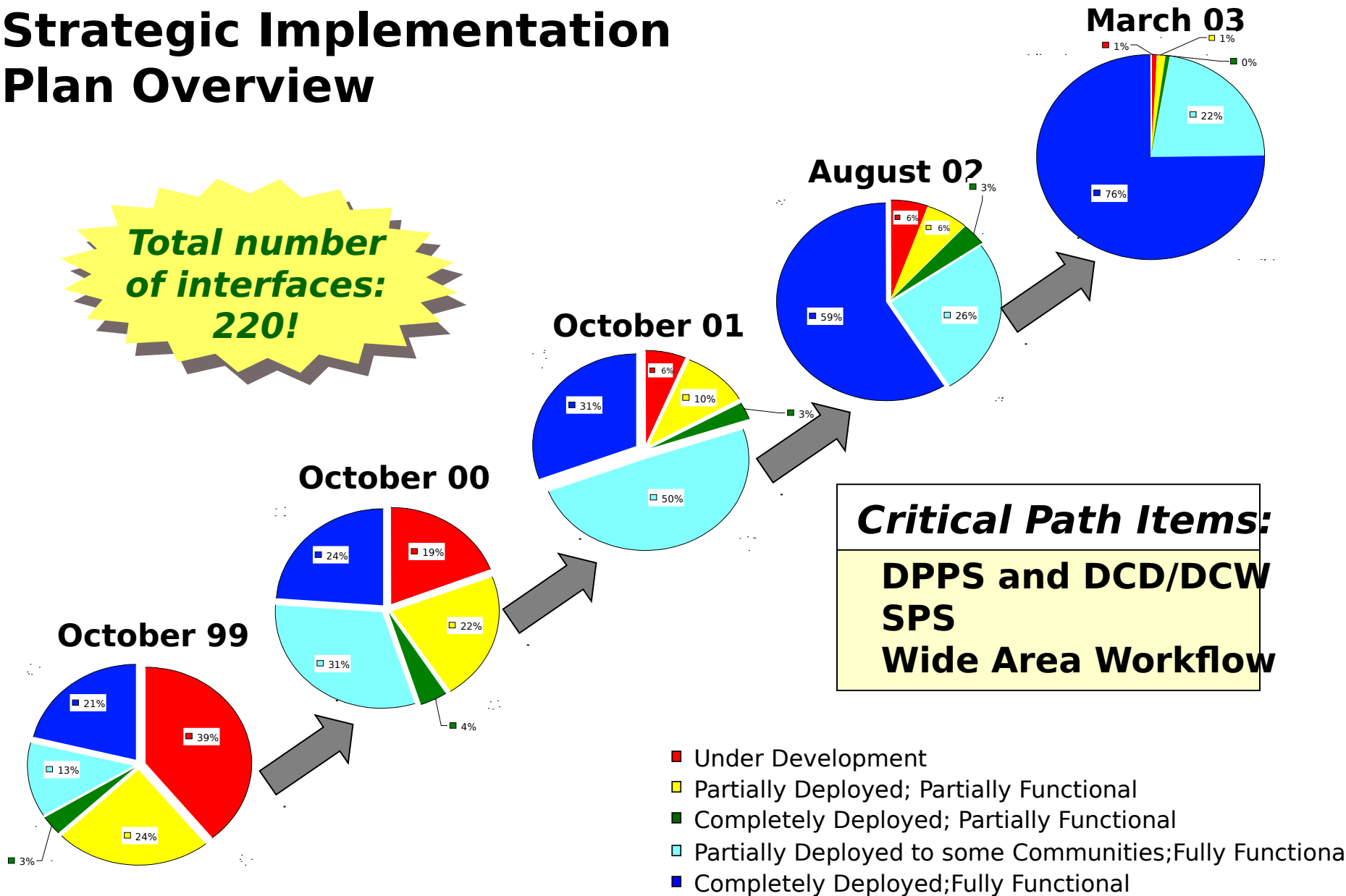
- End-to-End process model is a vision of future shared data environment
- Systems and interfaces must ***evolve*** to meet vision
- End-to-End Process Model is the ***road map*** to an integrated data architecture for paperless procurement
- Requires Department-wide cooperation and coordination, ***and clear direction!***



100% "Blue" by March 2004

Strategic Implementation Plan Overview

Total number of interfaces: 220!





End-to-End Procurement Process

Phased Approach

- **Phase 1: Built “To-Be” Model**
- **Phase 2: Developed Strategic Implementation Plan**
- **Phase 3: Implement “To-Be” Model**
 - **FY 00 and beyond**



End-to-End Procurement Process Management Structure

Paperless Procurement Executive Control Board (ECB)

**Paperless Contracting OIPT plus Financial Management and Logistics
Provide executive oversight and leadership as Portfolio Manager**

Implementation IPT

**PC WIPT plus Financial Management and Logistics
Reports to ECB**

**Provides day-to-day management and oversight
Serves as catalyst for integrated decision making & issue
resolution**

**Ensures configuration management control of critical interfaces
Ensures seamless exchange of information**

Military Departments and Defense Agencies

**Provide active participation on ECB and Implementation IPT
Support Implementation IPT to secure resources to accomplish
its mission**

Applications and Systems Program Managers

**Ensure development of systems/databases consistent with "To-
Be" Model**

Joint Electronic Commerce Program Office (JECPO)

**Provide business management support for Implementation IPT
Coordinate with Implementation IPT and ensure consistency with
DOD EC Architecture**



End-to-End Procurement Process

Sample Metrics

Outcomes: Measure performance

- **Total decrease in:**
 - **Negative Unliquidated Obligations (NULOs)**
 - **Unmatched Disbursements (UMDs)**
 - **Interest paid on late payments**
 - **Discounts lost due to delayed payments**

Outputs : Measure progress

- **Percentage of:**
 - **Electronic commitments by service, by system, by site**
 - **SPS contract awards and modifications**
 - **Electronic receipts and acceptance including both vendors and DFAS**
 - **Electronically approved payment requests coming into DCD/DCW and Electronic Funds Transfer (EFT) authorizations going out**
 - **Contracts closed electronically**

Draft Metrics in Implementation Plan!

Uses existing PC WIPT metrics!



End-to-End Procurement Process

Recommendations

Memo being drafted and coordinated!

Sign Implementation Memo to:

■ Establish a Paperless Procurement ECB at Flag/SES level

- PC OIPT Chairperson as Portfolio Manager***
- PC OIPT augmented with Services, Financial Management, and Logistics representation***

■ Establish Implementation IPT at O-6/GS-15 level

- PC WIPT augmented with Financial Management, Logistics, and Application & Systems Program Managers***

Incorporate the road map and direction into the Defense Planning Guidance!